



WISCONSIN

**DEPARTMENT OF WORKFORCE DEVELOPMENT**

Division of Economic Support  
Bureau of Welfare Initiatives

**TO: Economic Support Supervisors  
Economic Support Lead Workers  
Training Staff  
FSET Administrative and Provider Agencies  
Child Care Coordinators  
W-2 Agencies**

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**Non W-2 ☐ W-2 ☒ CC ☐**

**PRIORITY: Medium**

**SUBJECT: RECOVERING LEARNFARE PENALTY FROM W-2 TRIAL JOB  
PARTICIPANTS**

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**CROSS REFERENCE:** CARES Guide, Chapter VIII, 1.10.0  
W-2 Manual, Chapter 12

**EFFECTIVE DATE:** Immediately

**PURPOSE**

This memo is to alert W-2 agencies and Learnfare case managers that the benefit recovery screen BVLf has been moved into CARES.

**BACKGROUND**

FEPs must use BVLf to recover Learnfare financial penalties in W-2 cases where the participant is in a Trial Job, and therefore the penalty cannot be recouped from a W-2 payment.

CARES instructions for BVLf are located in the **CARES Guide**, Chapter VIII, 1.10.0. Workers must enter:

1. Their identification number
2. The PIN of the W-2 participant
3. The total amount of the penalty
4. The PIN numbers of all children subject to a Learnfare penalty for the period
5. The non-participation code

Review ANSE and AILW to ensure that the correct PINs and non-participation codes are entered on BVLf. If the child does not have a penalty code on AILW for the participation period on BVLf, do not enter a penalty code on BVLf. CARES will not prevent workers from entering a penalty for a child which contradicts the information on ANSE or AILW; this will be a worker responsibility.

Penalty codes are in table TLFC:

1. **CM:** Failure to comply with case management
2. **NE:** Not enrolled in school
3. **Note:** Penalty code **LS<sub>1</sub>** “penalty entered late-not deducted from payment”, cannot be used on BVLf

Only a child between the ages of 6 and 17 years old, whose parent is in a W-2 employment position, and who is not enrolled in school is subject to a Learnfare financial penalty, for either failing to enroll or not cooperating with case management. Other categories of students, habitual truants, minor parents, and returning dropouts, are mandatory for Learnfare case management, but no financial penalty is imposed if the student fails to participate.

Workers must also review the case to ensure that no more than 1 Learnfare penalty is imposed for each issuance month. CARES will not prevent more than 1 penalty notice being issued in 1 month.

BVLf is programmed to send a notice that payment is due at the same time that the W-2 check is issued.

The penalty payment due date is 25 days after the date the notice is issued if the notice is issued in the first 15 days of the month. If the notice is created on the 15 day of the month or later the due date is the 25<sup>th</sup> of the following month. This will allow sufficient time for the W-2 participant to request a Fact Finding on the Learnfare penalty. If a Fact Finding is requested on the Learnfare penalty, do not seek to recover the penalty using BVLf until after the Fact Finding is decided, if it is decided in favor of the W-2 agency. Workers may AE delete the child's PIN and reduce the penalty before the notice is issued. If the last child's PIN is removed, the claim must be withdrawn.

When a re-payment is received from a client, workers must apply the payment to the correct claim using BVCP or BVMP. The procedure is set out in the **CARES Guide**, Chapter VIII, 1.5.0.